

AMENDED IN SENATE AUGUST 14, 2012

AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN SENATE JUNE 21, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2551**

**Introduced by Assembly Member Hueso**  
(Coauthor: Senator Vargas)

February 24, 2012

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An act to add Section 53395.27 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2551, as amended, Hueso. Infrastructure financing districts: renewable energy zones.

Existing law authorizes counties and cities to form infrastructure financing districts, in accordance with a prescribed procedure, and requires that a district finance only public capital facilities of communitywide significance, as specified. Existing law authorizes a legislative body, by ordinance, to adopt an infrastructure financing plan and create the district with the full force and effect of law, if  $\frac{2}{3}$  of the registered voters within the territory of the proposed district are in favor of creating the district.

This bill would authorize a legislative body to establish an infrastructure financing district in a renewable energy zone area, as defined, for the purpose of promoting renewable energy projects. With respect to an infrastructure financing district created pursuant to these

provisions, the bill would exempt the formation of the infrastructure financing district, ~~the adoption of an infrastructure financing plan, or the issuance of bonds~~ from the voter-approval requirement.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 53395.27 is added to the Government  
2 Code, to read:

3 53395.27. (a) This section shall apply only to a city that created  
4 and approved a renewable energy infrastructure area.

5 (b) For purposes of this section, the following terms shall have  
6 the following meanings:

7 (1) “Renewable energy infrastructure area” means an area that  
8 contains a proposed development project or projects that would  
9 generate in total more than 50 megawatts of electricity using an  
10 eligible renewable energy resource, as defined in Article 16  
11 (commencing with Section 399.11) of Part 1 of Division 1 of the  
12 Public Utilities Code, that is intended to be used for commercial  
13 renewable energy production. *A renewable energy infrastructure*  
14 *area may include property that is proposed to include a rooftop*  
15 *solar energy systems if the property owner provides written consent*  
16 *that the property be contained in the renewable energy*  
17 *infrastructure area.*

18 (2) “Commercial renewable energy production” means that the  
19 project has an executed power purchase agreement for the sale of  
20 the electricity from an eligible renewable energy resource to a  
21 California retail seller, as defined by subdivision (j) of Section  
22 399.12 of the Public Utilities Code, or a local publicly owned  
23 electric utility, as defined by Section 224.3 of the Public Utilities  
24 Code.

25 (c) A district created pursuant to this section shall only use tax  
26 increment (1) within the boundaries of that district, and (2) on  
27 renewable energy infrastructure or renewable energy upgrades.

28 (d) In determining whether an area constitutes a renewable  
29 energy infrastructure area, the legislative body may consider areas  
30 that are not contiguous and may aggregate the total megawatts of  
31 several areas.

1 (e) The legislative body of a city may use the provisions of this  
2 chapter to form an infrastructure financing district in renewable  
3 energy infrastructure areas for the purpose of promoting renewable  
4 energy projects.

5 (f) With respect to an infrastructure financing district created  
6 pursuant to this section, an election shall not be required to form  
7 an infrastructure financing district, ~~adopt an infrastructure financing~~  
8 ~~plan, or issue bonds pursuant to this chapter. All other provisions~~  
9 ~~of this chapter shall apply to the formation of an infrastructure~~  
10 ~~financing district and the adoption of an infrastructure financing~~  
11 ~~plan. All other provisions of this chapter, including those relating~~  
12 ~~to elections and public notice, shall apply to the adoption of the~~  
13 ~~infrastructure financing plan, the issuance of bonds of an~~  
14 ~~infrastructure financing district, and the establishment or changing~~  
15 ~~of an appropriations limit.~~

16 (g) (1) Notwithstanding any other law, this section is not  
17 intended to interfere with, or prevent the exercise of, the existing  
18 authority of an agency or department to carry out its programs,  
19 projects, or responsibilities to identify, review, approve, deny, or  
20 implement any mitigation requirements, and this section shall not  
21 be construed as a limitation on mitigation requirements for the  
22 project, or a limitation on compliance with requirements under the  
23 California Environmental Quality Act (Division 13 (commencing  
24 with Section 21000) of the Public Resources Code) or any other  
25 provision of law.

26 (2) An infrastructure financing district created pursuant to this  
27 section shall not use property tax increment to pay for, in whole  
28 or in part, subsidize, or make affordable, conditions of project  
29 approval or mitigation requirements imposed on a private developer  
30 of a renewable energy development project.